



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

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Fifth District

May 19, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 May 26, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**LEASE AMENDMENT
OFFICE OF THE COUNTY COUNSEL
350 SOUTH FIGUEROA STREET, LOS ANGELES
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

A seven-year lease amendment for 27,084 square feet of office space and 108 on site parking spaces for the Office of the County Counsel to provide for the continued use and expansion space at the existing facility.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the seven-year amendment to the lease agreement with 350 Figueroa, LLC (Lessor) for the Office of the County Counsel for 12,252 additional square feet of office space in addition to the currently occupied 14,832 square feet of office space at 350 South Figueroa Street, Los Angeles, for a new total of 27,084 square feet and 108 on-site parking spaces at an initial maximum annual rental cost of \$1,112,116. The lease costs are fee offset.
3. Authorize the Internal Services Department, or the Lessor, at the direction of the Chief Executive Office, to acquire and install telephone, data, and low voltage systems at a cost not to exceed \$350,000.

4. Authorize the Interim Chief Executive Officer, the County Counsel and Director of Internal Services to implement the project. The lease amendment will be effective upon approval by the Board of Supervisors, and the new term will commence upon completion of the tenant improvements by the Lessor and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Chief Executive Office (CEO) has been authorized to obtain additional office space on behalf of County Counsel for the Workers' Compensation and Probate Divisions currently housed in the World Trade Center (WTC) business complex, as well as attorneys and legal support staff currently housed at the Hall of Administration (HOA) and Administrative Services Staff from the Financial Management Branch and the Information Security Branch housed at the HOA.

The office space for these divisions is needed based on the expansion of legal services provided by these and other divisions within the HOA. The Worker's Compensation and Probate Divisions are currently on the sixth floor of the WTC. The Worker's Compensation Division represents the County in worker's compensation matters and provides legal advice regarding that program. The Probate division represents and advises the Public Administrator and Public Guardian in legal affairs. These are direct service programs that provide services to various County departments with limited public intake.

The Financial Management Branch oversees the preparation and administration of County Counsel's operating budget and a separate judgments and damages budget that pays judgment, settlement, and litigation costs, as well as performing all accounting transactions.

The Information security staff is tasked with the implementation of administrative, operational, and technical safeguards and countermeasures to protect the confidentiality, integrity and availability of information and information systems from unauthorized access, use, disclosure, disruption, modification or destruction.

The prospective office space was determined suitable based on its existing occupancy at the WTC and its location within the surrounding civic center region. The proposed office space is in close proximity to the HOA, the Hall of Records, and the Stanley Mosk Court House, as well as local transportation routes. The existing office space will be updated and the new expansion office space will be improved from its current use as part of the federal General Accounting Office to accommodate approximately 135 employees. Parking is included in the lease and provided in the appurtenant structure.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Integrated Services Delivery (Goal 3) direct that we improve client and community outcomes through the continuous integration of services while safeguarding long-term fiscal sustainability for County services. In this case, the County is supporting these goals by consolidating operations and improving efficiencies to provide quality information and services. The proposed lease amendment is in conformance with the Asset Management Principles as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the County the enhanced use of 12,252 square feet of office space and 108 on-site parking spaces at a monthly base rent of \$74,481 per month, or \$893,772 annually, i.e., \$2.75 per square foot per month on a full service gross basis. In addition, a Tenant Improvement (TI) allowance of \$406,260, included in the base rent and an additional TI allowance of \$918,900 is available for improvement of the existing and expansion office space. The annual reimbursable payments may amount to \$218,344 if all the additional TI allowance is expended and amortized over five years at 7 percent interest. Attachment B is an overview of the changes in the lease.

This is a full-service gross lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. The rent is subject to Consumer Price Index (CPI) increases capped at 4 percent in lieu of the previous annual fixed increases of 3 percent. Parking is included in the rent and will be provided within the attached parking structure servicing the World Trade Center.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2015 16 Rent Expense budget and will be billed back to County Counsel. County Counsel has sufficient funding in the proposed FY 2015-16 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide the continued and expanded use of 27,084 square feet of office space and 108 on-site parking spaces, and contains the following provisions:

- Commencement of new rent and seven-year term upon approval by the Board of Supervisors and acceptance of the tenant improvements.
- A full-service gross basis with the Lessor responsible for all operational and maintenance costs.
- A TI allowance of \$406,260, or \$15 per square foot, included in the base rental rate for improvement of the premises.
- A reimbursable additional TI of \$918,900, or \$75 per square foot, which may be paid in a lump sum or amortized over five years of the extended term at an annual interest rate of 7 percent.

- A cancellation provision allowing the County to cancel any time after five years of the extended lease term with 150 days prior written notice.
- Annual rental rate adjustments based upon CPI with a maximum increase of 4 percent per annum and no floor.

The CEO Real Estate Division staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$24.20 and \$45 per square foot per year on a full service gross basis, excluding parking. Thus, the base annual rent of \$33 per square foot per year on a full-service gross basis, including parking, for the proposed lease amendment represents a rate within the market range for the Civic Center area. Attachment C shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The proposed lease amendment will provide a central and appropriate location which is consistent with the County's Facility Location Policy adopted by the Board on July 24, 2012, as outlined in Attachment D.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

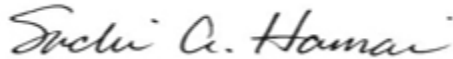
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. County Counsel concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return four originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM

TS:NCH:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services

OFFICE OF THE COUNTY COUNSEL
350 SOUTH FIGUEROA STREET, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ² Space to house three divisions of the County Counsel.	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Ratio is approximately 240sf per person due to existing MCR, conference and storage/file rooms.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 108	X		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? Program is primarily fee offset		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered? The County already occupies the facility and requirement not suitable for these type of projects.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

FISCAL IMPACT / FINANCING OVERVIEW OF LEASE CHANGES

350 S. Figueroa St. Los Angeles	Existing Lease	Proposed Lease Amendment	Change
Area (square feet)	14,832	27,084	+12,252 sq. ft.
Term	Ten Years (02/01/2008-01/31/2016)	Seven years upon Board adoption and TI completion	+7 years
Annual Base Rent	\$489,456 (\$33/sq.ft.)	\$893,772* (\$33/sq.ft.)	+\$404,316* (\$0/sq.ft.)
Base TI Allowance (non-reimbursable)	\$222,730 (\$15.00/sq.ft.)	\$406,260 (\$15.00/sq.ft.)	+\$183,530 (\$0/sq.ft.)
Add'l TI Allowance	\$964,080 (\$65/sq.ft.)	\$918,900** (\$75/sq.ft.)	-\$45,180** (+\$10/sq.ft.)
Max Annual Rent	\$581,872 (\$39.23/sq.ft.)	\$1,112,116 (\$41.06/sq.ft.)	+\$530,244**(+\$1.83/sq.ft.)
Cancellation	County after 5 years with 180 days notice	County after 5 years with 150 days notice	-30 days notice
Parking (included)	53 spaces	108 spaces	+55 spaces
Option to Renew	No option	No option	Same
Rental Adjustment	Automatic 3 percent increases per year	Consumer Price Index (CPI) increases capped at 4 percent, no floor.	-3 percent auto increase; CPI with 4 percent cap

* New Lease comprised of 27,084 square feet at base rate of \$2.75/sq.ft. monthly.

** \$918,900 represents the maximum amount of reimbursable TI funds available for the project. If this entire amount is expended and amortized over 60 months at the rate of 7 percent, the annual TI reimbursement amount will be \$218,344 (\$.67/\$8.04 per sq. ft. per month/annually).

**OFFICE OF THE COUNTY COUNSEL
SPACE SEARCH – CIVIC CENTER AREA**

Laco	Facility Name	Address	Gross SQFT	Net SQFT	Owner-ship	Available SQFT
5461	PH-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LA 90038	27,578	14,811	OWNED	NONE
C760	DPSS-EAST LA GROW EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LA 90031	23,655	17,554	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LA 90010	65,872	62,578	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LA 90010	21,500	20,425	LEASED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LA 90020	52,230	42,341	OWNED	NONE
A425	DCFS-HEADQUARTERS BUILDING	425 SHATTO PL, LA 90020	81,912	77,816	LEASED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LA 90020	31,862	21,777	OWNED	NONE
A369	DCFS-HEADQUARTERS ANNEX	501 SHATTO PL, LA 90020	17,751	15,976	LEASED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LA 90020	31,540	24,835	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG(RED-TAGGED)	532 S VERMONT AVE, LA 90020	27,179	10,314	OWNED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LA 90020-1991	171,651	149,668	OWNED	NONE
B695	PH-IMMUNIZ&ENVIR HLTH/MENTAL HEALTH	695 S VERMONT AVE, LA 90010	14,730	13,257	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LA 90005	281,988	237,432	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LA 90057	62,000	60,140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LA 90057	46,228	42,065	LEASED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LA 90007	215,439	183,874	OWNED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LA 90007	115,242	89,650	OWNED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LA 90012	87,810	83,420	LEASED	NONE
5546	PH-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LA 90012	60,924	34,748	OWNED	NONE
3155	PERFORMING ARTS CTR-DE LISA BLDG/THE ANNEX	301 N GRAND AVE, LA 90012	27,582	17,978	OWNED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LA 90012	221,359	134,851	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LA 90012-2713	958,090	595,071	OWNED	NONE
A429	CEO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LA 90012	30,905	27,158	LEASED	NONE
0156	HALL OF RECORDS	320 W TEMPLE ST, LA 90012	438,095	260,776	OWNED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LA 90013	39,956	25,158	OWNED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LA 90012	83,692	46,440	OWNED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LA 90033	22,479	14,251	OWNED	NONE
A436	DPSS-EXPOSITION PARK FAMILY SERVICE CENTER	3833 S VERMONT AVE, LA 90037	127,511	110,500	LEASED	NONE
Y150	EXPOSITION PARK BUILDING & PARKING STRUCTURE	3965 S VERMONT AVE, LA 90037	66,484	55,228	OWNED	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease renewal: Seven-year lease amendment for the Office of the County Counsel – 350 South Figueroa Street, Los Angeles – 1st District. There is a County cancellation right after five years.

A. Establish Service Function Category – Regional and local public service function.

B. Determination of the Service Area – The proposed lease renewal will allow County Counsel to continue to provide comprehensive legal services for the Probate, Workers' Compensation and General Litigation divisions in the civic center area.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: County Counsel programs are most effective when located in the civic center geographic region. This location meets the service area criteria and remains in the desired area.
- Need for proximity to existing County facilities: County Counsel continues to collaborate with County Department partners and Board offices as necessary. The subject facility is located within the civic center area and in the World Trade Center which also houses the Auditor-Controller, Department of Human Resources and the Chief Information Office.
- Need for proximity to Los Angeles Civic Center: The lease helps fulfill this requirement.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: This is an existing County leased facility available to meet the Department's service needs.

- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County usage expansion which is consistent with the World Trade Center's use and zoning for office space at this location. The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial annual base rent of \$893,772, i.e., \$2.75 per square foot per month, including parking, plus the maximum amortized cost of the additional tenant improvement allowance of \$918,900, reimbursable over five years of the extension term, comprises the total annual lease cost for the existing and expansion space under consideration. The initial maximum annual rent is \$1,112,116 if all available TI dollars are expended. Rental costs are fee offset.

D. Analyze results and identify location alternatives

Based upon the space and service needs of County Counsel, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives. Based on a survey of the area, staff established that no viable or suitable alternatives to the existing location were available. The annual rental range for similar office space is up to \$45 per square foot on a full-service gross basis, excluding parking. Therefore, the proposed annual rent of \$33, including parking, is within market and supports the lease renewal and expansion at this location.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The renewal of the subject lease amendment for County Counsel will provide adequate office space for its employees and efficient space for service to clients, which is consistent with the County's Facility Location Policy adopted by the Board on July 24, 2012. The cost of comparable sites was higher per square foot and the sites would require tenant improvements that would drive the rent up further.

AMENDMENT NO. 1 TO LEASE NO. 75339
OFFICE OF THE COUNTY COUNSEL
350 SOUTH FIGUEROA STREET, LOS ANGELES

This AMENDMENT NO. 1 to LEASE NO. 75339 ("Amendment" or "Amendment No. 1") is made, entered and dated as of this 26th day of May, 2015, by and between 350 FIGUEROA, LLC, a California limited liability company ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS:

WHEREAS, that certain County of Los Angeles Chief Administrative Office Lease Agreement No. 75339 ("Original Lease") was executed by and between Lessor and Lessee on August 9, 2005, whereby Lessor leased to Lessee those certain premises containing approximately 14,832 rentable square feet of office space ("Existing Premises") commonly known as Suite 601 and located on the sixth (6th floor) of that certain building at the address of 350 South Figueroa Street, Los Angeles, ("Building"), for a Lease term of ten years; and

WHEREAS, that certain Memorandum of Commencement Date (the "Commencement Date Memorandum") was made and entered into between Lessor and Lessee on March 1, 2006, whereby the parties confirmed the Commencement Date; and

WHEREAS, Lessor and Lessee currently desire to (i) further extend the Lease Term, ("Extension Term"), (ii) expand the Existing Premises, said space commonly known as Suite 1002 on the 10th floor of the Building and containing approximately 12,252 rentable square feet ("Expansion Space"), and (iii) otherwise amend the Lease as set forth in this Amendment No. 1; and

WHEREAS, the Original Lease and Amendment No. 1 are collectively referred to herein as the "Lease;" and,

WHEREAS, the terms of this Amendment No. 1 shall not become effective until such time that said Amendment is executed by all the parties herein,

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree to further amend the Lease as follows:

1. **DESCRIPTION OF PREMISES:** Effective as of the Extension Term Commencement Date (as that term is defined below), Paragraph 1(c), Premises, of the Original Lease shall be amended to establish that "Premises" shall mean and refer to the Existing Premises and the Expansion Space, collectively, containing a new cumulative total of approximately 27,084 rentable square feet.
2. **EXTENSION OF THE LEASE TERM:** Paragraph 1(e), Term, of the Original Lease is hereby amended to extend the term of the Lease, which is currently scheduled to expire on January 31, 2016. The Extension Term shall commence from the date upon which the

Expansion Space had been delivered to Lessee in Ready for Occupancy condition, as that term is defined below ("Extension Term Commencement Date"), and terminate on the last day of the seventh (7th) year following the Extension Term Commencement Date ("Extension Term Date.")

3. **RENT**: Effective upon the Extension Term Commencement Date, but not retroactively, Paragraph 5, RENT, of the Original Lease, shall be amended by addition of the following:

"Lessee hereby agrees to pay as rent during the Extension Term, for both the Premises and the 108 parking spaces pursuant to Paragraph 6 below, the sum of Seventy-four Thousand Four Hundred Eighty-One Thousand and 00/100 Dollars (\$74,481.00) per month, i.e., Two Dollars and Seventy-Five Cents (\$2.75) per rentable square foot of the Premises, per month ("Basic Rent"), subject to adjustment pursuant to Paragraph 4 below. Rental payments shall be made by Lessee in accordance with the terms and procedures set forth in Paragraph 5 of the Original Lease."

4. **RENTAL ADJUSTMENT**: Effective as of the Extension Term Commencement Date, but not retroactively, Paragraph 5, RENT, of the Original Lease is hereby deleted in its entirety and the following substituted therefor:

"After the first year of the Extension Term, Basic Rent shall be adjusted as follows:

CPI. Commencing upon the first anniversary of the Extension Term Commencement Date, and upon each annual anniversary of the Extension Term Commencement Date thereafter ("Adjustment Date"), Basic Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month during which the Extension Term Commencement Date occurs.

CPI Formula. The "Index" means the Consumer Price Index ("CPI") for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means the Basic Rent set forth in Paragraph 2 above, multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month during which the applicable Adjustment Date occurs, and the denominator being the Basic Index. If the Index is changed so that the Index differs from that used as of the Extension Term Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Extension Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

Illustration of Formula. The formula for determining the new Rent shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times \$74,481 \text{ (Basic Rent)} + \text{Tenant Improvements} = \text{New Monthly Rent}$$

Limitations on CPI Adjustment. In no event shall the monthly Rent adjustment based upon the CPI Formula result in an annual increase greater than four percent (4%) per year of the Basic Rent.

In no event shall the monthly Rent be adjusted by the CPI Formula to result in a lower monthly Rent than was payable during the previous year of the Extension Term.”

5. **TERMINATION:** Effective upon execution of this Amendment No. 1 by the parties hereto, Paragraph 4(d) of the Original Lease, Early Termination, is hereby deleted and the following is substituted therefore:

“Lessee shall have a continuous right to cancel this Lease as to all or any portion of the Premises, subject to the terms herein, at any time after the fifth (5th) year of the Extension Term (as defined in this Amendment No. 1) by providing Lessor not less than one hundred fifty (150) days prior written notice by Chief Executive Office letter.”

6. **PARKING:** Effective upon the Extension Term Commencement Date, but not retroactively, Paragraph 20, PARKING, of the Original Lease is hereby amended by the addition of the following:

“During the Extension Term, Lessor shall provide one hundred eight (108) unreserved, in-and-out parking spaces located within the parking structure(s) currently serving the Building Complex (the "Building Complex Parking Facilities"); in connection therewith, effective from and after the Extension Term Commencement Date.”

7. **TENANT IMPROVEMENTS:** Effective upon execution of this Amendment No. 1 by the parties hereto, Paragraph 23, TENANT IMPROVEMENTS, of the Original Lease is hereby deleted in its entirety and the following substituted therefor:

“Lessor, within a commercially reasonable period of time after Lessor's approval of the plans and specifications for the Improvements (as defined herein below), shall commence and complete work on the Improvements, and shall pay for the costs of the same up to a maximum cost of \$406,260, i.e., Fifteen Dollars and Zero Cents (\$15.00) per rentable square foot of the Premises ("Base Tenant Improvement Allowance"). The "Improvements" shall mean, collectively, certain improvements, alterations and/or additions to the Premises to be constructed pursuant to and in accordance with plans and specifications submitted to and approved by Lessor and Lessee. Lessor acknowledges that the Improvements may include, without limitation, the purchase of new furniture, fixtures and equipment for the Expansion Space. The Improvements shall be performed by and under the authority of Lessor, or its authorized agent, and approved by a designated representative of the Lessee's Chief Executive Office (which approval shall not be unreasonably withheld). For purposes of the Lease the Expansion Space shall be in Ready for Occupancy condition upon Substantial Completion of the Expansion Space, the latter term defined as occurring upon the completion of construction of those portions

of the Improvements in and for the Expansion Space, with the exception of any punch list items.

If the costs of the design, permitting and construction of the Improvements ("Improvement Costs") exceed the amount of the Base Tenant Improvement Allowance, the Lessor shall apply, without notice from Lessee, up to a maximum of \$918,900, i.e., Seventy-Five Dollars and Zero Cents (\$75.00) per rentable square foot of the Expansion Space ("Additional Tenant Improvement Allowance") against such excess Improvement Costs. Lessor shall submit three bids for the architectural/engineering fees and construction of the Improvements, as well as for furniture vendors, for Lessee's review prior to award of the applicable contract(s).

The portion of the Additional Tenant Improvement Allowance utilized shall be reimbursed by Lessee to Lessor by amortizing said amount on a straight-line basis over the first sixty (60) months of the Extension Term, plus interest at the rate of seven (7%) percent interest per annum, the amortized amounts of which (the "Amortized Payments") to be paid by Lessee to Lessor on a monthly basis in the same procedure as the payment of Basic Rent set forth in Paragraph 3 of this Amendment No. 1. Notwithstanding the foregoing, Lessee may, at any time during the Extension Term, pay to Lessor in a lump sum an amount equal to all or a portion of the unamortized portion of the utilized Additional Tenant Improvement Allowance.

Any Improvements shall be in compliance with all applicable laws, codes, and ordinances, including but not limited to the Americans with Disabilities Act (ADA)."

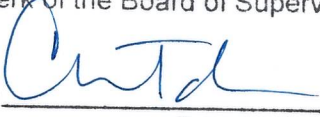
For purposes of this Amendment No. 1, paragraph 1.4 of the Original Lease, Landlord's Work Letter, shall be deemed null and void.

8. Lessor represents and warrants that each of the signatories for Lessor have the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein and Lessor agrees to indemnify and hold harmless Lessee from all damages, costs, and expenses, which result from a breach of this representation.
9. Lessor and Lessee each hereby represents and warrants to the other that it (i) has had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment, excepting only Jamison Properties, Inc., which represents Lessor, and (ii) knows of no other real estate broker or agent who is entitled to a commission in connection with this Amendment.
10. In the event of a conflict between the terms and conditions of this Amendment No. 1 and the terms and conditions of the Lease, this Amendment No. 1 shall prevail. All other terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor has executed this Amendment No. 1, or caused it to be duly executed, and the County of Los Angeles by the order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Mayor of said Board, and attested by the Clerk thereof on the day, month, and year first above written.

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By 
Deputy

LESSOR

350 Figueroa, LLC,

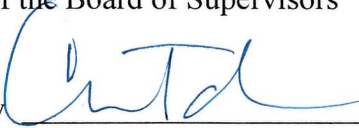
By: Jamison Services, Inc.

By: 
Name: Phillip Lee
Title: CEO

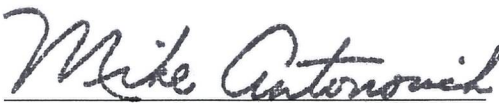


ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
of the Board of Supervisors

By 
Deputy

LESSEE
COUNTY OF LOS ANGELES
a body politic and corporate

By 
MICHAEL D. ANTONOVICH
Mayor, Board of Supervisors

APPROVED AS TO FORM:
MARK J. SALADINO
County Counsel

By 
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25

MAY 26 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

75339
Supplement No. 1